

THIRD DIVISION

[G.R. No. 165494, March 20, 2009]

ANGELITA, REYNALDO, NARCISO, CECILIA, FEDERIO AND LEONIDA ALL SURNAMED LEVARDO AND NORMA PONTANOS VDA. DE LEVARDO, FOR HERSELF AND AS PROPOSED GUARDIAN AD LITEM OF HER MINOR DAUGHTER ELENA P. LEVARDO, PETITIONERS, VS. TOMAS B. YATCO AND GONZALO PUYAT AND SONS, INC., REPRESENTED BY JOSE G. PUYAT, JR., PRESIDENT, AS PRINCIPAL DEFENDANTS AND DR. RUBEN B. YATCO, AS NECESSARY DEFENDANT. RESPONDENTS.

HERNANDO LEVARDO, PETITIONER, VS. LEONCIO YATCO AND GONZALO PUYAT AND SONS, INC., REPRESENTED BY JOSE G. PUYAT, JR., AND GAUDENCIO BAUTISTA, RESPONDENTS.

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

Before this Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to set aside the September 27, 2004 Decision^[1] of the Court of Appeals (CA) in CA-G.R. SP No. 69220 which affirmed the June 20, 2000 Resolution^[2] and January 21, 2002 Resolution^[3] of the Department of Agrarian Reform Adjudication Board (DARAB).

Stripped of the non-essentials, the facts of the case are as follows:

DARAB Case No. 3361

Asuncion Belizario (Belizario) is the owner of a parcel of land with an area of 4.3488 hectares located in Binan, Laguna. On May 17, 1971, Belizario donated the said parcel of land to herein respondent Tomas Yatco (Tomas) as evidenced by a Deed of Donation *Inter Vivos*. Said land is tenanted by Aguido Levardo (Aguido). During his lifetime, Aguido executed a "*Pinanumpaang Salaysay*,"^[4] where he declared:

x x x x

Na AKO, sampu ng aking pamilya ay nagpasiya na buong puso at laya, na ibalik, isasauli at ibalik ang lahat ng aking karapatan sa paggawa o pananakahan sa nasabing x x x hectarya x x x area at x x x centares ng naulit ng isang lagay na lupa, sa may-ari ng nabanggit na lupa dahil sa aming kagustuhang umiba ng hanapbuhay, ng higit ang pagkikitaan kaysa pananakahan.

Na AKO, sampu ng aking anak ay lubos na nagpapasalamat sa kagandahang loob ng mga may-ari na nabanggit na lupa, sa mabuting

pakikisama nila sa aking mga kapatid at sa kanya ring pagbibigay ng pabuya at bayad pinsala (Disturbance fee) sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng karapatan sa paggawa sa naulit na x x x hectarya x x x area x x x centares na aking sinasaka.

Na sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng aking karapatan sa paggawa nasabing bukid sa may-ari nito ay kaalam ang aking kapatid at lahat kami ay walang gagawing paghahabol salapi o ano pa man laban sa may-ari nitong lupang nabanggit, sa hukuman o sa Ministry of Agrarian Reform.^[5]

The foregoing document was also signed by Aguido's children, namely: Angelita, Reynaldo, Narciso, Cecilia, all surnamed Levardo (petitioners), and was notarized on April 1986. By virtue of the said document, Tomas paid to Aguido disturbance compensation amounting to P2,000,000.00. Aguido died on October 9, 1986.

On April 27, 1990, Tomas sold the said parcel of land to respondent Gonzalo Puyat and Sons, Inc. (Puyat Corporation).^[6]

On May 24, 1991, petitioners filed with the Office of the Provincial Agrarian Reform Adjudicator (PARO) a complaint for the annulment of the Deed of Donation *Inter Vivos* and Deed of Absolute Sale, and to declare as null and void *ab initio* the waiver of tenancy rights of the late Aguido.^[7] Petitioners claim that the land in dispute was covered by Operation Land Transfer (OLT) pursuant to Presidential Decree No. 27 (P.D. No. 27).^[8] Specifically, petitioners contend that they were already deemed the owners of the land on the basis of an alleged Certificate of Land Transfer (CLT) in the name of their father Aguido, which was never issued by the DAR, but on the basis of an alleged certified xerox copy of a Masterlist of tenants wherein his name appeared.^[9]

DARAB Case No. 3362

Herein respondent Leoncio Yatco (Leoncio) is the owner of a parcel of land with an area of 4.2406 hectares located in Binan, Laguna. Said land is tenanted by Francisco Levardo (Francisco) and his son Hernando, a co-petitioner in the present petition. During his lifetime, Hernando executed a "*Pinanumpaang Salaysay*,"^[10] where he declared:

x x x x

Na AKO, sampu ng aking pamilya ay nagpasiya ng buong puso at laya, na ibinalik, isasauli at ibalik ang lahat ng aking karapatan sa paggawa o pananakahan sa nasabing xxx hectarya xxx area at xxx centares ng naulit na isang lagay na lupa, sa may-ari ng nabanggit na lupa dahil sa aming kagustuhang umiba ng hanap buhay ng higit and pagkikitaan sa panakahan.

Na AKO, sampu ng aking mga anak ay lubos na nagpapasalamat sa kagandahang loob ng mga may-ari na nabanggit na lupa, sa mabuting pakikisama nila sa aking mga magulang at sa kanya ring pagbibigay ng pabuya at bayad pinsala (Disturbance fee) sa aking ginagawang

pagbabalik, pagsasauli at pagbibigay ng lahat ng karapatan sa paggawa sa nauli't na x x x hectarya x x x area x x x centares na aking sinasaka.

Na sa aking ginagawang pagbabalik, pagsasauli at pagbibigay ng lahat ng aking karapatan sa paggawa nasabing bukid sa may-ari nito ay kaalam ang aking magulang at lahat kami ay walang gagawing paghahabol salapi o ano pa man laban sa may-ari nitong lupang nabanggit, sa hukuman o sa Ministry of Agrarian Reform.^[11]

The foregoing document was also signed by Francisco and was notarized on January 10, 1990. By virtue of the said agreement, Leoncio paid to Hernando the amount of P2,417,142.00 as disturbance compensation. Leoncio thereafter sold the parcels of lands to the Puyat Corporation.

On July 8, 1991, Hernando, together with Francisco, filed with the PARO a complaint for the Annulment of Deed of Donation *Inter Vivos* and Deed of Absolute Sale and to declare as null and void *ab initio* the waiver of tenancy rights executed by him. Hernando claims that the land in dispute was covered by an OLT pursuant to P.D. No. 27.^[12] More specifically, Hernando claims that he and his father were already deemed the owners of the land on the basis of an alleged CLT in their names, which was never issued by the DAR, but on the basis of an alleged certified xerox copy of a Masterlist of tenants wherein their names appeared.^[13]

THE PARO RULING

In DARAB Case No. 3361

On December 3, 1993, the PARO rendered a Decision,^[14] declaring the waiver of tenancy rights, the Deed of Donation *Inter Vivos* and the Deed of Sale as null and void. Furthermore, the PARO ordered the Department of Agrarian Reform (DAR) to issue an Emancipation Patent Title in favor of the heirs of Aguido.

In DARAB Case No. 3362

On December 15, 1993, the PARO rendered a Decision,^[15] declaring the waiver of tenancy rights and the Deed of Sale as null and void. The PARO also ordered the DAR to issue an Emancipation Patent Title in favor of Francisco and Hernando.

Respondents filed a motion for reconsideration questioning **both** decisions of the PARO.

On September 5, 1994, the PARO issued an Order^[16] **granting** respondents' motion, the dispositive portion of which reads as follows:

WHEREFORE, in light of the foregoing, the defendants VERIFIED MOTION FOR RECONSIDERATION is hereby GRANTED and the DECISIONS sought to be reconsidered are hereby SET ASIDE and in lieu thereof, a decision is entered as follows:

FIRST (DARAB CASE NO. 0116)

1. Declaring the Waiver of tenancy rights as valid x x x.
2. Declaring and upholding the validity of the Deed of Donation Intervivos (Exhibit "K") and the Deed of Sale (Exhibit "N") x x x.

SECOND CASE (DARAB CASE NO. 0125)

1. Declaring the Waiver of tenancy rights as valid x x x
2. Declaring and upholding the validity of the Deed of Sale (Exhibit "H") x x x x

In both cases, subject landholdings were declared outside OLT coverage and untenanted.

SO ORDERED.^[17]

In said Order, the PARO ruled that the lands in dispute were outside OLT coverage, and that no CLTs were issued and registered with the Register of Deeds.^[18] The PARO further ruled that the waivers of tenancy rights executed by petitioners were duly notarized, and that in order to disprove the presumption of regularity in its favor, there must have been clear, convincing and more than merely preponderant evidence. The PARO ruled that there was no proof to overcome the presumption of regularity of the aforementioned public documents and thus upheld the law in favor of the validity of said documents.^[19]

Petitioners then appealed the PARO Order to the DARAB.

The DARAB Ruling

On March 29, 2000 the DARAB issued a Decision^[20] **reversing** the September 5, 1994 Order of the PARO and reinstating the December 3, 1993 Decision of the PARO.

Respondents then filed a Motion for Reconsideration of the DARAB Decision. On June 20, 2000, the DARAB issued a Resolution^[21] granting the motion for reconsideration. The dispositive portion of said decision reads as follows:

WHEREFORE premises considered, the defendants-appellees verified Motion for Reconsideration is hereby granted and the Decision dated March 29, 2000 rendered by the Board is hereby RECONSIDERED and SET ASIDE and the ORDER dated September 5, 1994 rendered by the Provincial Adjudicator a quo is hereby AFFIRMED and REINSTATED.

SO ORDERED.

In said Order, the DARAB ruled that the lands in dispute were outside OLT coverage, and that no CLTs were issued to petitioners. Moreover, the DARAB held that the waiver of tenancy rights by Aguido was valid and enforceable and binding on the petitioners, who were also signatories to the document.^[22] Likewise, the DARAB upheld that validity of the waiver of tenancy rights of Hernando which was also signed by his father Francisco.

Petitioners filed a Motion for Reconsideration which was, however, denied by the

DARAB on January 21, 2002. Petitioners then appealed the DARAB Decision to the CA.

The CA Ruling

On September 27, 2004, the CA rendered a decision denying^[23] the petition, the dispositive portion of which reads:

WHEREFORE, the petition is DENIED due course, and the Resolution of DARAB issued on June 20, 2000, as well as its Resolution denying the motion for reconsideration of petitioners dated January 21, 2002 are both AFFIRMED in all respect.

SO ORDERED.^[24]

Pursuant to the Court's ruling in *Ernesto v. Court of Appeals*^[25] that no motion for reconsideration may be entertained from the said decision of the CA, under Section 18, P.D. No. 946, petitioners appealed to this Court via herein petition, with the following assignment of errors:

1. **WHETHER PRESIDENTIAL DECREE NO. 27, TRANSFERRING OWNERSHIP OF THE IRRIGATED RICE LANDS IN FAVOR OF PETITIONERS, PREDECESSORS FRANCISCO LEVARDO AND HERNANDO LEVARDO, AND AGUEDO LEVARDO, BOTH DECEASED, WHO WERE AGRICULTURAL TENANTS OF RICE LANDS WERE DEEMED OWNERS OF THE LAND[S] THEY WERE TILLING;**
2. **WHETHER SAID PRECESSORS OF PETITIONERS HAVE PAID FOR THE COSTS OF THE LAND[S] PURSUANT TO EXECUTIVE ORDER NO. 228 ISSUED ON JULY 7, 1987, AND AS SUCH, THE ABSOLUTE OWNERS THEREOF;**
3. **WHETHER THE CERTIFICATE[S] OF LAND TRANSFER ISSUED IN FAVOR OF PETITIONERS-PREDECESSORS NULLIFY THE WAIVER OF RIGHTS EXECUTED BY THEM AND WHETHER THE CERTIFICATES OF LAND TRANSFER WHICH WERE CANCELLED WITHOUT GIVING THEM RIGHT TO BE HEARD [ARE] LEGAL AND VALID.**
4. **WHETHER THE LANDOWNER LEONCIO YATCO MAY LEGALLY AND VALIDLY CONVEY THE RICE LAND[S] COVERED BY PRESIDENTIAL DECREE NO. 27 AND [OF] WHICH THE PETITIONERS PREDECESSORS WERE THE ABSOLUTE OWNERS IN FAVOR OF RESPONDENT PUYAT AND SONS, INC.**

^[26]

The Court's Ruling

The petition is not meritorious.

The basic issue in the case at bar is whether the lands in dispute are covered by P.D.